

BILL SUMMARY & FISCAL NOTE

Department:	Contact Person/Phone:	Executive Contact/Phone:
Seattle Department of Transportation - Office of the Waterfront	Michelle Chen/727-8480	Doug Palmer /684-5266

1. BILL SUMMARY

Legislation Title:

AN ORDINANCE relating to the Pike Place Market Preservation and Development Authority; authorizing the Director of the Office of the Waterfront to enter into a development agreement to distribute \$34 million in bond proceeds and to convey certain real property located at 1901 Western Avenue, Seattle, Washington to the Authority for the development of a mixed-used project with public parking, low-income housing, public open space, retail and commercial space; authorizing the acceptance of an easement from the Authority on that property; and authorizing the Director of the Office of the Waterfront and the Housing Director to execute documents and take other actions in connection with this project.

Summary and background of the Legislation:

This legislation authorizes a Development Agreement between the City of Seattle and Pike Place Market Public Development Authority (PPMPDA) pursuant to which the City will contribute \$34 million of LTGO bond proceeds for construction of a new mixed-use building on the City-owned PC-1 North site. The site will be conveyed to PPMPDA subject to a perpetual public open space easement and covenants for low-income housing and public parking. The Development Agreement effectuates the 2013 Memorandum of Understanding (MOU) executed by the City and the PPMPDA under the authority of Ordinance 124122, and memorializes the City's contribution of \$34 million in grant funds to the PPMPDA on a reimbursable basis for eligible capital construction costs, including any amounts the City has already expended under the MOU for design, planning and consultant costs.

The City owns the parcel of land in the Pike Place Urban Renewal Project area at 1901 Western Avenue, in Seattle, Washington known as the PC-1 North site. The parcel has been operated by the Market as a surface-level parking lot under a series of Operation and Maintenance agreements with the City since 1979. The Pike Place Urban Renewal Plan, adopted pursuant to Ordinance 102916 and as extended by Ordinance 124361, identified priority uses for the site, including parking, commercial, residential and open spaces to complement existing Market-related activity.

The PPMPDA's MarketFront Project will provide approximately 300 additional short-term public parking spaces, 40 units of low-income senior housing, 12,000 square feet of retail commercial space, and over 30,000 square feet of public open space and pathways. It is the first major expansion of the Market in 40 years. The MarketFront Project has been designed in close

coordination with the Waterfront Seattle program to achieve the City’s objectives for development of the central waterfront. The Project also responds to the need for replacement short-term public parking on the waterfront and in the vicinity of the Market.

Upon execution of the Development Agreement and after receiving notice from PPMPDA of the project commencement date, the City will convey title to the property and issue a notice to proceed once all the requirements outlined in the Development Agreement are met. These requirements include: (1) City’s review and approval of 100% design construction documents, (2) Director of the Office of Waterfront determination that the final capital budget is sufficient to complete the final project design, and (3) Finance Director’s reasonable satisfaction that PPMPDA has timely access to all available fund sources to complete construction of the project.

Payments to the PPMPDA will be made from the proceeds of the City’s 2015 and 2016 limited tax general obligation bond issuances, in accordance with the City’s normal debt issuance process. The amount of the bond issuance in any given year will be determined based on a review of the PPMPDA’s anticipated Project expenditures over the next 12-month period. The City’s funds will be used by the PPMPDA for the sole purpose of developing the property as part of the MarketFront Project.

2. CAPITAL IMPROVEMENT PROGRAM

 This legislation creates, funds, or amends a CIP Project.

Project Name:	Project I.D.:	Project Location:	Start Date:	End Date:	Total Cost:

3. SUMMARY OF FINANCIAL IMPLICATIONS

 X This legislation does not have direct financial implications.

4. OTHER IMPLICATIONS

a) Does the legislation have indirect or long-term financial impacts to the City of Seattle that are not reflected in the above?

Yes. The City anticipates issuing a total of \$34 million in limited tax general obligation bonds in 2015 and 2016 to support the PPMPDA MarketFront Project. Once issued, the funds will be allocated to the Department of Finance and Administrative Services (FAS), consistent with the 2015 Adopted Budget and 2016 Endorsed Budget. A portion of these funds, approximately \$2.9 million, will be provided by FAS to Seattle’s Department of Transportation (SDOT) to reimburse SDOT for the actual costs the department already incurred for design, planning and consultant costs related to the Project. PPMPDA will

access the remainder of these City funds to pay for eligible project costs consistent with the process described in the Development Agreement.

b) Is there financial cost or other impacts of not implementing the legislation?

If the legislation were not implemented, the City would not incur the cost of supporting the development of the Project; however, the Project would not proceed and the intent of the Pike Place Urban Renewal Plan and Strategic Plan for the Central Waterfront would not be met.

c) Does this legislation affect any departments besides the originating department?

Yes, the legislation affects the Department of Finance and Administrative Services which owns the property and which maintains the \$34 million in budget authority for the receipt and distribution of the bond proceeds. FAS property staff, including Hillary Hamilton, have been involved in the development of this legislation.

d) Is a public hearing required for this legislation?

No.

e) Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

No.

f) Does this legislation affect a piece of property?

Yes. The legislation outlines the terms and process by which the City will convey the parcel of land in the Pike Place Urban Renewal Project area known as the PC-1 North property located at 1901 Western Avenue to the PPMPDA. The site is owned by the Department of Finance and Administrative Services. The site will be conveyed to the PPMPDA subject to the terms outlined in the Development Agreement. A map of the property is attached for illustrative purposes.

g) Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?

The PPMPDA MarketFront Project fulfills the intent of the Pike Place Urban Renewal Plan, providing new social service space occupied by the Chief Seattle Club whose mission is to serve low-income urban Native Americans. It also provides approximately 30,000 sq ft of public open space, approximately 12,000 sq ft of retail space for day stall vendors and other commercial uses, and 40 units of low-income senior housing.

h) If this legislation includes a new initiative or a major programmatic expansion: What are the long-term and measurable goals of the program? Please describe how this legislation would help achieve the program's desired goals.

None.

Michelle S. Chen
OW Pike Place Market PC-1 North Development Agreement SUM
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i) Other Issues:

List attachments below:

Attachment 1: PC-1 North Property Map